

Iowa Power Fund Board
Meeting Minutes June 11, 2008
Iowa Department of Public Safety
215 East 7th Street
Des Moines, Iowa

Call to Order:

Fred Hubbell, Chair, called the meeting to order at 9:10 A.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred S. Hubbell, Chair	X		M J Dolan	X	
John Bilsten	X		Gregory Geoffroy		X
Peter Hemken	X		Kent Henning		X
Patricia Higby	X		Senator Hubert Houser	X	
Carrie LaSeur		X	Senator Roger Stewart	X	
Richard Leopold	X		Rep. Nathan Reichert	X	
John Norris	X		Rep. Chuck Soderberg	X	
Bill Northey	X		Due Diligence Committee	Present	Present
Lucy Norton	X		Tom Barton	Franklin Codel	
Mike Tramontina	X		Ted Crosbie	Vern Gebhart	
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

OEI staff in attendance: Roya Stanley, Brian Crowe, Jennifer Wright, Bob Mulqueen, Mary Lewis, Sherry James

Approval of Agenda:

Action: Mr. Hemken moved, Ms. Norton seconded, to approve the agenda as printed. All members present voted “aye”.

Approval of Minutes:

Action: Mr. Bilsten moved, Mr. Hemken seconded, to approve the May 14, 2008 Power Fund Board minutes with two amendments: the dollar amount for Iowa State’s Bio-based conference was \$12,500 and it was Deputy Director Jennifer Wright that gave the update on the RFP for the Energy Plan. All members present voted “aye”.

Chair’s Remarks:

Chair Fred Hubbell reported he was pleased that the Power Fund Board would be considering the approval for the first contracts at this meeting.

Director's Remarks:

Director Roya Stanley expressed pleasure of the possibility of awarding the first contracts and the opportunity to award an RFP for a consultant to assist with the development of the 2008 Energy Plan.

Director Stanley alluded to the recent weather with heavy rainfall and flooding and reported some scientists contribute this weather pattern to Climate Change. She reported that the price of energy is evident even on the international level.

Public Comments:

There was no public comment.

Review of Budget:

Director Stanley presented a Power Fund Appropriation Budget Status Report for the Board's review. She reviewed the OEI budget and Power Fund budget and the estimated amount of monthly expenses through March 2009.

There was discussion regarding the amount of funding distributed to the community colleges. Ms. Dolan reported a statutory formula is used for an equal distribution to the 15 community colleges and they are required to submit a plan explaining how the money was used. Jennifer Wright reported funding is sent annually from OEI to DED and DED completes the actual funding and distribution of funds to the community colleges.

Action: Mr. Wind moved, Mr. Hemken seconded, to approve the Power Fund budget as presented. All members present voted "aye" except Mike Tramontina who recused himself from the vote. The board requested an update on the budget on a quarterly basis.

Director Stanley presented charts and graphs showing the dollar amount of applications approved for negotiations; the dollar amount and total number per category of pre-applications approved by DDC for referral to the board; and the status of FY 2008 applications reviewed by the Board.

Committee Reports:

Administrative Rules: There was no activity with the Administrative rules committee at this time.

Due Diligence: Director Stanley reported the Power Fund Board has the opportunity to review decisions made by the Due Diligence Committee. The board reviewed the 13 pre-applications that were reviewed at the May 28 DDC meeting.

There was much discussion regarding the Committee not giving enough consideration to a wider array of topics. It was suggested that after the DDC makes a decision that a pre-application is "No", staff contact the pre-applicant to explain the reasons why it did not move ahead and encourage them to resubmit a pre-application. It was also suggested that a press release be sent regarding the topic areas that the DDC would like to see pre-applications. There was discussion regarding "hard science and soft science" and the confidence levels that come with determining if a project would be successful.

Mr. Hubbell reported the Board makes a conclusion as to whether they agree with the DDC's decision not to move a pre-application forward to full application status. The board has ultimate authority of the Power Fund.

Mr. Wind asked the DDC to review the pre-applications dealing with switch grass. Mr. Hubbell reported staff will identify those particular pre-applications and contact the applicant for further information.

Mr. Crowe updated the board on negotiations. He reported the teams have met with the applicants and some technical reviews will be requested before further conversations.

Awarding of Final Contract

Mr. Crowe reported there were two contracts that had completed negotiations and the staff recommended approval.

◇ University of Northern Iowa - \$612,300 - The Tallgrass Prairie Center at the University of Northern Iowa will research how to use prairies for wildlife cover and energy production. They will determine the maximum sustainable production of biomass with mixtures of prairie species. Their research will show the optimal mixture of prairie vegetation for biomass production on non-prime agricultural land for electrical generation. It will also determine the most effective management plans for sustainable use of prairie vegetation for biomass production while maintaining wildlife habitat and other benefits.

Action: Mr. Leopold moved, Mr. Tramontina seconded, to approve granting funds to UNI as recommended. All members present voted "aye".

◇ Iowa State University - \$12,500 - The 2008 Growing the Bioeconomy Conference is the 6th annual conference held at Iowa State University that focuses on the latest advances in biofeedstock production: bioprocessing; utilization of biobased products; human, social and community dimensions of the bioeconomy; and the interface between the bioeconomy and climate change. The 2008 conference will focus on technologies and strategies that will allow the Midwest to achieve the goals identified by the Midwest Governors Coalition (MGC), North Central Bioeconomy Consortium (NCBC), the North Central Sun Grant (NCSG), and USDA REE.

Action: Mr. Bilsten moved, Mr. Hemken seconded, to approve granting funds to ISU as recommended. All members present voted "aye".

Review of Full Applications:

(See attachment of conversation of each presentation) Chairman Hubbell reminded the Board members of the prior discussion regarding the voting for the projects. The board members will vote following each presentation: 1.) yes, send the project application to a negotiation team to allow further discussion; 2.) table, to review at a later date to decide if still interested in the project; or 3.) no, not interested in the project. If the decision is made for a project to go to a negotiations team, it would still come back to the full board for final approval.

■ University of Northern Iowa - Development of Less Expensive Dye Sensitized Solar Cells (\$78,681) Action: Wind, yes; Northey, yes; Norton, yes, would like to see a firm commitment from the investor or partner outlining what their involvement will be as to their contribution; Tramontina, no, it's research and good education, but what in-kind is UNI contributing; Leopold, yes, with some

suggestions for the negotiating team: like to see some harder numbers and their in-kind matches. I understand that this is baseline research but why are you different; Higby, yes; Hemken, yes, but would like negotiations to include what's new about this science, Bilsten, yes; Norris, yes. *Decision – yes to negotiations.*

■ University of Northern Iowa – Creation of Novel Hydrogen Storage Materials for Fuel Cell Application (\$384,000) Action: Wind, yes; Northey, yes; Norris, table – interesting but not convinced it will be useful; Bilsten, yes; Higby, yes; Hemken, yes; LaSeur, yes; Leopold, yes; Norton, yes; Merrick, yes. *Decision – yes to negotiations.*

■ Iowa State University – Clean Gasification Platform for Renewable Power, Energy, and Ethanol from Biomass (\$2,000,000) Action: Wind, yes; Norton, no; Leopold, yes; Higby, yes; Hemken, yes, with tech review; Bilsten, yes, with conversation regarding research of a cost effective way to reduce hydrogen; Norris, no, not long term interest for Iowa.; Hubbell, yes, with tech review and intellectual property discussion. *Decision – yes, to negotiations.*

■ Nvecta LLC - Utilizing Glycerol in Swine and Poultry (\$66,550) Action: Northey, yes; Norton, yes; Tramontina, yes; Leopold, yes, if could strengthen the value chain while lessening use of fossil fuels, not sure it does anything for the environment; Higby, yes, wish the money could be in Iowa instead of Kansas but understand Iowa doesn't have the research center; Conrad, yes; Hemken, yes; Wind, yes; Bilsten, yes. *Decision – yes, to negotiations.*

Planning Committee: Tommi Makila reported staff had reviewed the RFP's and selected to interview two companies. He distributed a bid evaluation summary sheet showing the scoring for the four bidders. He reported the highest evaluated bidder has strong qualifications and experience for all three project tasks. They have completed similar projects and exhibits good understanding of Iowa situations and circumstances. They also indicated good scenario planning and excellent work plan. He reported the committee focused on three tasks: energy efficiency strategy; renewable energy on wind and biofuels. There was discussion regarding the timeframe and Mr. Makila reported the project is to be completed by October 1, 2008.

Action: Mr. Leopold moved, Mr. Hemken seconded, to accept the bid from Navigant Consulting, Inc. as recommended by the committee. All members present voted "aye".

Application Committee: Mr. Crowe reviewed the recent changes to the pre-application as discussed at the previous meeting. The Staff took into consideration the comments and questions that have presented the past five months.

Action: Mr. Tramontina moved, Ms. Norton seconded, to approve the pre-application as revised. All members present voted "aye".

Energy Efficiency/Energy Education Taskforce: Ms. Higby asked if the Iowa Energy Survey poll contract had been signed. Staff reported it was not signed, as yet.

Ms. Higby reported on the Community Energy Efficient Project. This was an area that has not received many pre-applications. There was discussion regarding confusion between training and education.

Ms. Higby also reported there are results coming from the survey that the Ad Hoc committee developed to seek advice of experts in the various fields to identify what areas the Fund would target to achieve the greatest results. These surveys are coordinated through “Survey Monkey”.

There was discussion regarding POET’s application and the status. Mr. Hubbell reported Roy, he and some representatives from POET would be meeting in a few weeks to discuss proposals.

Public Comments:

There was no public comment.

Other Business:

Bob Mulqueen discussed the possibility of hosting six public forums across the state to receive input for the Energy Plan as well as important topics for legislative consideration. Mr. Wind offered to host the July board meeting and first public forum in Jefferson. Details will be sent in the near future. Three of the forums would coincide with Board meetings. Suggested locations in addition to Jefferson are Algona, Mt. Vernon, Decorah, Sioux City, and Keokuk.

Mr. Bilsten expressed appreciation for educational opportunities to assist the board in making decisions.

Adjournment:

There being no further business to discuss at this time, the meeting adjourned at 2:15 P.M. The next Power Fund Board meeting will be held on Wednesday, July 9 at 9:00 AM, at a location to be determined.

Fred Hubbell, Board Chair

Sherry James, Recording Secretary